



Bellevue Planning Commission

9/14/2022

PLANNING COMMISSION AGENDA ITEM

SUBJECT

Final Review Public Hearing on the Increasing Affordable Housing on Faith-Owned Properties (Affordable Housing Strategy (AHS) Action C-1, Phase 2) Comprehensive Plan Amendment (CPA)

STAFF CONTACTS

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POLICY ISSUES

Staff recommends approval of the AHS Action C-1 Phase 2 CPA as it would advance City Council’s vision of Bellevue being *a city of diverse and connected neighborhoods where housing options abound, with many choices in a range of affordability levels*, as well as Bellevue being *an equitable community that is diverse and welcoming*.

DIRECTION NEEDED FROM THE PLANNING COMMISSION

ACTION <input checked="" type="checkbox"/>	DIRECTION <input type="checkbox"/>	INFORMATION ONLY <input type="checkbox"/>
Request	Summary Guidance	
1. Conduct a Final Review public hearing for the proposed amendment.	Direct staff to present the staff recommendation, then open the public hearing and accept public testimony. Close the public hearing.	
2. Close the public hearing and discuss the proposal prior to making a recommendation to the City Council.	Review the application, staff recommendation, public record, and testimony. Ask questions of staff regarding the proposed CPA; review the proposed resolution.	
3. Take action on a recommendation.	The Commission uses a resolution to City Council for the recommendation action. Approve the resolution or direct staff on revisions to the resolution content.	

Annual CPA proposals are reviewed by the Planning Commission and acted upon by City Council through the Final Review process set forth in [Part 20.30I of the Land Use Code \(LUC\)](#). Final Review evaluates the merits of proposed amendments included in the annual CPA work program. Final Review evaluation and decision includes staff review, a Planning Commission public hearing and recommendation by resolution, and City Council action by ordinance.

For this AHS Action C-1 Phase 2 CPA, the Planning Commission is now scheduled to hold the Final Review public hearing and make a recommendation. The City Council’s subsequent action on this

recommendation, which is conveyed from the Planning Commission to the City Council by resolution, amends the Comprehensive Plan.

RECOMMENDATION SUMMARY

The Final Review Decision Criteria for a proposed CPA are set forth in LUC [20.30I.150](#). Staff's recommendation for the proposed amendment based on these criteria is summarized below and provided in detail in the full [Staff Report](#) and in Study Session [materials](#) provided to Commissioners for the July 7 Planning Commission meeting, along with the August 25, 2022 [notice](#) of Final Review public hearing.

Summary Recommendation

This proposed CPA would allow single-family properties owned or controlled by religious organizations and near frequent transit service and multifamily or commercial districts to be reclassified to multifamily through a rezone process. Multifamily development will only be possible when all housing units are permanently affordable housing, thereby helping the City meet its increased need for affordable housing citywide. The proposal will encourage development of affordable multifamily housing that leverages high frequency public transportation service and ensures residents have multiple transportation options. Additionally, as properties must be in proximity to existing multifamily or commercial districts to qualify, these developments will more easily achieve compatibility with their surroundings.

Staff recommends approving this proposed amendment because it satisfies all applicable decision criteria for Final Review of a CPA in [LUC 20.30I.150](#). The staff recommendation in Attachment A provides analysis and detail on how the proposed CPA meets these decision criteria. Specifically, the proposed CPA would comply with Bellevue's Comprehensive Plan policies by promoting "a variety of housing opportunities to meet the needs of all members of the community," and it would "encourage the development of affordable housing through incentives and other tools." Also, consistent with the Growth Management Act (GMA), the proposal would "encourage the availability of affordable housing to all economic segments of the population" and "promote a variety of residential densities and housing types." And consistent with King County's Countywide Planning Policies (CPPs), the proposal would "collaborate with diverse partners (e.g., employers, financial institutions, philanthropic, faith, and community-based organizations) on provision of resources (e.g., funding, surplus property) and programs to meet countywide housing need." Additional analysis regarding the CPA's consistency with the Comprehensive Plan, the CPPs, and the GMA is included in Attachment A, Staff Report."

Summary of Public Comment

Comments from the public about the proposed CPA have included a desire to see the City be bold and use all tools at its disposal to increase opportunities for affordable housing development. Similarly, the importance of streamlining the permitting process and helping faith organizations navigate the development process have been emphasized. In response to these comments, the City Council increased the area in which sites may qualify by expanding the distance to multifamily and commercial districts from 300 feet to 500 feet, and staff included a policy directing the City to reach out to inform and educate religious organizations about their opportunity to develop affordable housing.

Concerns over potential impacts to privacy and existing criminal activity have also been expressed along with a desire to see protections put in place when people with substance abuse and mental health issues move into housing. Potential impacts of development will be addressed generally during the development of the land use code amendment and more specifically during the development review

process of a defined project proposal. However, comments related to the impacts of housing people with mental health issues are unrelated to this CPA.

The importance of having a broad geographic distribution of eligible properties to avoid potential clustering of affordable housing developments has been emphasized. Similarly, the importance of considering how close qualifying sites are to parks, bus services and other facilities has been stated. Please see responses to these two issues in the section below.

Public comments and questions received have been forwarded to the Commission, and can be found in Attachment B. They are also available for viewing on the City's Comprehensive Plan Amendment [webpage](#).

Summary of Planning Commission Comment

Commissioners expressed interest in taking steps to make the proposal bolder and ensuring the proximity of services could be considered when determining the intensity of multifamily housing. Commissioners reiterated the importance of a broad approach to engagement, including neighborhoods, affordable housing providers, and potential tenants. Commissioners also raised questions regarding several components of the proposal. A summary of these questions and staff's responses are provided below.

1. Could government or non-profit-owned properties also be included in this proposal?

The City Council's direction for this proposal was to increase the likelihood of affordable housing development on properties owned or controlled by religious organizations in single-family land use districts. During Action C-1, Phase 1, government and non-profit-owned properties were not included as eligible for a density bonus in single family land use districts. These entities are eligible for a density bonus for property located in multifamily land use districts.

2. Why was a rezone proposed rather than a conditional use permit (CUP)?

During the process of reviewing the Phase 1 LUCA in 2021, the Planning Commission expressed interest in creating a process that could consider the location characteristics of eligible properties in determining a greater density increase. Staff determined that the CUP process was the only mechanism to grant such a bonus without a CPA and rezone and developed a proposal for a "Super Bonus", which could accommodate a greater than 50% density bonus through the CUP process. Commissioners and stakeholders expressed concerns that the CUP process is lengthy and uncertain. Ultimately, the City Council directed staff to work on this Phase 2, which includes this proposed CPA, a Land Use Code Amendment (LUCA) and a City-initiated rezone. Once completed, Phase 2 will provide much greater certainty over the CUP option and will greatly reduce process time for currently qualifying properties that wish to develop with 100 percent affordable units.

3. How will multifamily land use districts be determined?

This will be developed during the LUCA process, which will include input from the Planning Commission during the Process IV land use process. At a minimum, staff anticipate that recommendations will be developed based on land use districts located proximate to each qualifying property, though additional criteria could be included. The intent of the CPA is to add new policy that provides general direction to allow rezones to multifamily, while the LUCA will provide regulations that will control how the policy is implemented.

4. *How will expanded affordable housing development on these properties affect the availability of transportation options and services?*

Expanded affordable housing development on these properties would likely increase the availability of transportation options and services over time provided adequate funding for public transportation. King County Metro's process for evaluating public transportation service and making decisions to add, reduce, and restructure service is outlined in their [Service Guidelines](#). Metro considers several factors including land use changes and equity impacts. The guidelines state that common goals for restructures include improving mobility for historically disadvantaged populations, focusing frequent service on the service segments with the highest ridership, and improving transit access to address unmet needs of priority populations. Although the City does not operate its own transit service, it can influence decisions made by regional transit authorities by providing information and advocating for improvements to service where they are most warranted. It does this through the City's [Transit Master Plan](#) and ongoing coordination with Sound Transit and King County Metro on transit service, capital, and speed and reliability projects. With increases in density, ridership on public transit routes near these sites would likely increase supporting the case for increased services.

5. *What focus groups will be engaged during this process?*

The four main stakeholder groups that will be engaged during this initiative are religious organizations; affordable housing developers and service providers; potential future residents of affordable housing; and other existing Bellevue residents, especially those who live near qualifying sites. Engagement to date regarding the policy amendments has focused on informing these groups as City Council's direction on the scope and purpose of the CPA is targeted. More participatory engagement will take place during the LUCA phase when input from the community will be considered during development of the specific code amendments.

6. *What is the effect of uneven distribution of qualifying sites around the City?*

A greater density of qualifying properties owned or controlled by religious organizations exists within certain neighborhoods and thereby increased potential for affordable housing development would exist within these neighborhoods upon adoption of this CPA and LUCA. Staff anticipate that only a small fraction of qualifying properties will proceed to build affordable housing, and the distribution of future development projects cannot be determined at this time. Given Bellevue's large gap in affordable housing units, this initiative seeks to utilize every opportunity for increasing the potential for affordable housing development provided sites meet certain criteria for access to transportation infrastructure and services, and for proximity to existing multifamily and commercial land use districts. Other affordable housing initiatives may be better suited for achieving a more even geographic distribution than this initiative, which is dependent upon the location of properties owned or controlled by religious organizations.

7. *Will infrastructure and availability of other services be considered?*

All rezones must meet the criteria specified in [Part 20.30A LUC](#) and all development proposals must satisfy development regulations ensuring the adequacy of public infrastructure and services. The intent of including these additional qualifying location criteria are to identify the minimum thresholds that sites must meet to qualify for this extra incentive. All properties owned or controlled by religious organizations can utilize the 50 percent density bonus for developing affordable housing. However, in

these special circumstances, an additional incentive is available. The qualifying criteria are intentionally simple to highlight the importance of having access to high frequency transit and being proximate to existing multifamily or commercial land use districts. Being near high frequency transit increases a household's access to jobs, goods and services. Access to other infrastructure and services may be items the Planning Commission will want to consider when determining which multifamily land use district is most appropriate for each site, but they were not items that rose to the level of determining whether a site would be eligible for a rezone to multifamily.

AMENDMENT NOTICE

Notice of the application for a 2022 CPA for AHS Action C-1, Phase 2, was published in the Weekly Permit Bulletin on [June 16](#) and posted consistent with [LUC 20.35.415](#). In addition, a courtesy notice was mailed to households residing within 500 feet of the potential qualifying sites. The initiative was introduced to the Planning Commission during the June 22 Study Session and the proposed amendment was brought back during the July 27 Study Session, when information requests were solicited and the Final Review public hearing for September 14 was set.

Notice of the staff recommendation, September 14 Final Review public hearing before the Planning Commission, and State Environmental Policy Act (SEPA) Threshold Determination was published in the Weekly Permit Bulletin on [August 25](#) and emailed to parties of record. The Washington State Department of Commerce was notified of the City's intent to adopt the proposed CPA on August 30. A courtesy letter/notice of the hearing and SEPA determination was also mailed to households and taxpayers residing or owning properties within 500 feet of potential qualifying sites.

Effective community engagement, outreach and public comments in 2022

Stakeholders are engaging across a variety of media during the 2022 annual plan amendment review process. The City's early and continuous community engagement for this CPA includes:

- ✓ Weekly Permit Bulletin notices as required
- ✓ Courtesy mailings to residents and property owners within 500 feet of qualifying sites
- ✓ Responding in writing to requests for information and returning phone calls
- ✓ Webpage for AHS Action C-1 Phase 2
- ✓ A June 22 Final Review Planning Commission study session
- ✓ A June 29 Virtual Information Session
- ✓ A July 27 Final Review Planning Commission study session

DIRECTION

The Commission will conduct a Final Review public hearing and will, thereafter, make a recommendation to the City Council through a resolution.

ATTACHMENTS

- A. 22-105258 AC Staff Report
- B. AHS Action C-1 Phase 2 Qualifying Sites Map-revised
- C. Public Comments
- D. Planning Commission Final Review Resolution for Action C-1 Phase 2 CPA